

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Tuesday, May 29, 2007, in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Vice-Chair Ann Polacek, Commissioners Brian Choiniere, William Mageau, Adrien Trudeau, and Dennis Whitman.

Members Absent: Commissioner Thomas Partridge

Also in Attendance: William Bernstein, General Counsel; Theodore Garille, General Manager

Chairman Palmisciano called the meeting to order at 6:02 pm.

1. Pledge of Allegiance

At Mr. Bernstein's request, Mr. Whitman made a motion to table New Business Item #07-007 to the June meeting. The motion was seconded by Mr. Mageau; the vote in favor was unanimous.

2. Good and Welfare of the District

A. PUC Data Request – Docket No. 1725

Mr. Choiniere made a motion to receive and file the information, which was seconded by Mr. Whitman. The vote in favor was unanimous.

B. 2006 American Public Power Association (APPA) Safety Award
Chairman Palmisciano congratulated the District on its safety record. Additionally, he expressed the Board's appreciation for the quick recovery from the recent power outage, noting all service was restored in 45 minutes.

Mr. Choiniere made a motion to receive and file the information, which was seconded by Mr. Mageau. The vote in favor was unanimous.

C. NYPA Hydro Preference Rates

Mr. Garille reported that an agreement has been reached between the six out-of-state allottees and NYPA for a 5.5% increase in 2007 and 5.7% increase in 2008, which still results in a cost of under three cents per kw. Mr. Mageau made a motion to receive and file the information, which was seconded by Mr. Mageau. The vote in favor was unanimous.

3. Approval of Minutes

- Regular Meeting – April 23, 2007: Mr. Whitman made a motion to approve the minutes as submitted. The motion was seconded by Mr. Mageau; the vote in favor was unanimous.**
- Electric and Finance Subcommittee Meeting - April 30, 2007: Mr.**

Mageau made a motion to approve the minutes as submitted. The motion was seconded by Mr. Whitman; the vote in favor was unanimous.

4. Committee Comments

There were no Committee comments

5. Unfinished Business

A. Pascoag Utility District Legislation Language

Board of Utility Commissioners

Regular Meeting – May 29, 2007

Page 2

Mr. Garille reviewed the proposed language changes for the House and Senate versions of the legislation, noting the Governor does not intend to act and will allow it to become law.

B. Update on STAG Grant

Mr. Garille reported that following meetings with Mark Spinale of the EPA and Gary Chobanian of the RI Department of Health/RI EPA, the grant application has been submitted.

6. New Business

- Resolution 07-005: Discussion and Vote on The Assumption of**

Credit Card Fees

Mr. Garille reviewed the District's credit card acceptance policy, and noted the PUC has instructed the District to charge the \$3.25 fee directly to the customer. The District has been informed by VISA/MasterCard that charging that fee is in direct violation of the contract. Following discussion on the merits of accepting credit cards, Mr. Choiniere made a motion to authorize the acceptance of credit cards, the cost of such use to be allocated among all rate-payers, subject to final language approval by Counsel. The motion was seconded by Mr. Whitman. The vote in favor was unanimous.

• Resolution 07-006: District Position Statement on Demand Tariff

Mr. Garille reviewed the District's Industrial Tariff, noting we pay National Grid under the similar tariff. He reviewed a customer complaint regarding charges associated with the demand, and their appeal to the RI Public Utilities Commission for relief. The PUC asked their consultant to review the charges and the tariff; he found the District's tariff is appropriate. Mr. Garille noted that if charges for this customer are waived, charges for all other customers in this demand category would also have to be waived and absorbed by all other customer classes. Mrs. Polacek made a motion recommending the District continue with its current rate structure and not implement seasonal charges, and to empower the General Manager and General Counsel to draft language revising the demand tariff to capture demand charges if a customer turns their service off for a portion of

the year. The motion was seconded by Mr. Trudeau. The vote in favor was unanimous.

- Resolution 07-007: Participation in the Affordable Energy Plan (tabled to the June meeting; see vote above)

Mr. Choiniere made a motion to add an item to the agenda to discuss the Affordable Energy Plan. The motion was seconded by Mr. Mageau. The vote in favor was unanimous.

Mr. Bernstein reviewed the proposed Affordable Energy Plan legislation, noting that the gross receipts tax would be funding the debt-forgiveness portion of the plan. He noted that the Pascoag Utility District is exempt from that tax, and that the taxing legislation does not apply to the District. He added that a guarantee of reimbursement to the District has been requested from the State

Board of Utility Commissioners

Regular Meeting – May 29, 2007

Page 3

Energy Office and RI Public Utilities Commission, but that guarantee has not been received. He reported that legislation has been introduced by Representative Pacheco that would exempt the District from participation in this plan which has passed the House and is in

the Senate. He recommended not participating in this plan without the guarantee of reimbursement.

7. Financial Reports

- Electric Department – March, 2007**
- Water Department – March, 2007**

Mr. Whitman made a motion to receive and file the reports, which was seconded by Mr. Mageau. The vote in favor was unanimous.

8. Public Comment

Michael Lima, the Water Superintendent, provided an update on Well #5 construction, noting the electrical conduit is in, and gravel for the road has been received, hay bales are in place, and the building should be in by the end of June.

9. Adjournment

Mr. Whitman made a motion to adjourn, which was seconded by Mr. Mageau. The vote in favor was unanimous. Chairman Palmisciano adjourned the meeting at 7:18 pm.

Brian Choiniere, Secretary
Board of Utility Commissioners

Sharon McDonald, Recording Secretary